



*United States Attorney
Southern District of New York*

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**COUPLE ARRESTED FOR STEALING HUNDREDS OF THOUSANDS OF
DOLLARS FROM COLUMBIA UNIVERSITY**

LEV L. DASSIN, Acting United States Attorney for the Southern District of New York, announced the arrest today of JOHN BZDIL, III, and his wife, HEATHER BROOKE RINEHART, on charges stemming from a scheme to defraud Columbia University by submitting phony invoices for expenses and purchases purportedly related to services provided by the Pediatric Neurosciences Department of the Neurological Institute at Columbia University. According to the Complaint unsealed earlier today in federal court:

BZDIL, the former Manager of the Pediatric Neurosciences Department of the Neurological Institute at Columbia University, and his wife, RINEHART, among other things, submitted reimbursement requests for spinal muscular atrophy studies purportedly performed by a medical professional affiliated with Columbia University. BZDIL authorized payment of these reimbursement requests by Columbia University, which totaled approximately \$112,500. The services detailed in the reimbursement requests submitted by the defendants were never performed.

As a further part of the fraudulent scheme, BZDIL and RINEHART submitted reimbursement requests for items, including personal cosmetics and other consumer products, purchased from Amazon.com for their personal use. BZDIL authorized these purchases as goods and services related to his employment at Columbia University. The defendants purchased, and Columbia University paid for, over \$84,000 worth of such personal items, none of which related to services provided by Columbia University. BZDIL and RINEHART also submitted reimbursement requests of more than \$25,000 for charges incurred at a luxury resort, the Skytop Lodge, in Skytop, Pennsylvania, in connection with the "Rinehart/Bzdil wedding."

Through this fraudulent scheme, BZDIL and RINEHART caused Columbia University to make reimbursements payments totaling well over \$200,000 for expenses and purchases wholly unrelated to services provided by its Pediatric Neurosciences Department.

BZDIL, 34, and RINEHART, 28, reside in Allentown, Pennsylvania. Both are charged with one count of wire fraud and one count of conspiracy to commit mail fraud and wire fraud. BZDIL is also charged with one count of mail fraud and an additional count of wire fraud. Each count carries a maximum sentence of 20 years in prison and a fine of the greater of \$250,000 or twice the gross gain or loss from the offense.

BZDIL and RINEHART were arrested this morning in Allentown, Pennsylvania, and are expected to be presented Friday, December 12, 2008, before U.S. Magistrate Judge DOUGLAS F. EATON.

Mr. DASSIN praised the investigative work of the Federal Bureau of Investigation.

This prosecution is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorney JULIAN J. MOORE is in charge of the prosecution.

The charges contained in the Complaint are merely accusations and the defendants are presumed innocent unless and until proven guilty.

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